www.nictuslimited.co.za

Taking action with a strategic focus...

Summarised consolidated financial statements
for the year ended 31 March 2017

CONTENTS

The summarised financial statements of Nictus Limited is a summary of the audited financial statements for the period 1 April 2016 to 31 March 2017. The summarised financial statements have not been independently assured. Mr Eckhart H Prozesky (financial director, CA(SA)) was responsible for supervising the preparation of these summarised financial statements.

The 2017 integrated annual report and financials statements is available on our website W www.nictuslimited.co.za from 30 June 2017.

PHILOSOPHY

Nictus has been successful in change initiatives. The challenge remains to reach a top level of **EXCELLENCE** throughout the organisation. The philosophy and core focus will be to drive **EXCELLENCE** in every aspect of the organisation and through this establish Nictus as a leading entity.

VISION

Nictus is an independent diversified investment holding group that creates above average value for shareholders and other stakeholders through sustainable growth.

MISSION

With a culture of **EXCELLENCE** and through a visionary and dynamic leadership we will achieve our vision through:

- Protecting our independence
- Expanding our business base in Southern Africa
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology driven
- Being the preferred employer

CORE VALUES

- Individual and collective ownership
- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatical discipline

"We are what we repeatedly do. Excellence then, is not an act but a habit."

Aristotle (384 BC – 322 BC)

GROUP PROFILE

Nictus Group is a retailer of household furniture, electrical appliances and home electronics sold through the Nictus Furnishers brand as well as a short-term insurer through the Corporate Guarantee brand.

The group has three furniture retail stores in South Africa. Nictus places the customer first by continually striving towards **EXCELLENCE**. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the **HIGHEST QUALITY** and provide excellent value for money. Stores are situated in Makhado, Polokwane and Randburg.

The furniture retail segment is primarily focused on the expanding middle to higher income market in the living standards measurement (LSM) 7 category and above. The group has a recurring customer base in the areas that we operate in. Customers are predominantly from black communities.

The financial services division of the Nictus group is run through Corporate Guarantee, which brings a unique approach to short-term insurance through the alternative risk transfer model. The head office is currently situated in Randburg and utilises group administration staff.

The high levels of recurring sales in both the furniture and insurance divisions are evidence of service satisfaction, trust and customer loyalty. As part of the commitment to service excellence, the group ensures that clients are served by staff from their own communities.

Nictus was founded in 1945 and was primary listed on the JSE on 1 July 1969, under general retailers, JSE code: NCS.

The selling of new furniture under the Nictus brand name first commenced in Namibia in 1955. The first South African furniture outlet was established in Randburg in 1983.

Corporate Guarantee (South Africa) Limited was founded in 2002. The company has built up a client base throughout South Africa.

Since the 2012 unbundling of the Namibian operation, the South African group is making steady progress towards sustainable profit and growth with effective management being established in South Africa.

Please refer to the website for more information at www.nictuslimited.co.za

Group revenue decreased by
12,6% to **R44,7 million**
(2016: R51,1 million)

Group total assets increased by
15,1% to **R594,8 million**
(2016: R516,6 million)

Investment income increased by
23,4% to **R37,9 million**
(2016: R30,7 million)

Profit for the year decreased by
13,7% to **R6,9 million**
(2016: R8,0 million)

Dividend of 3,0 cents per share declared

OUR BOARD OF DIRECTORS

1. Prof Johan Willemse (62)

Independent non-executive chairman

Committees: Remuneration, audit and risk, investment *(chairman)*

Barend J Willemse (Johan) obtained his MCom (Economics) from the University of the Free State and his PhD (Agricultural Economics) from the University of Pretoria, for which he received the Protein Research Trust award for the best PhD. A Cochrane bursary to study at the Illinois University (USA) was awarded in 2003.

He received various awards for his work, which included two awards as the agricultural writer of the year, ABSA/Sake economist of the year, the Animal Feed Manufacturers Association person of the year, agriculturalist of the year by the central region of Agricultural Writers Association and nominated as Bloemfonteiner of the year, 2009.

His experience includes: member of the National Agricultural Marketing Council, trustee of the Oilseeds and Protein Research Trust, chief economist of Agri SA and member of the SA Maize Board's management team, entrepreneur with his wife Marlene and two daughters in various businesses, including agri-business consulting, feed manufacturing and tourism. He was a full Professor at the Department of Agricultural Economics and chair for five years at the UFS. He served on Absa Group and Absa Bank boards for more than five years as an independent non-executive director and for three years as board member of Absa Financial Services Proprietary Limited (serving on various committees). He is currently involved with UFS Business School and teaching a course on scenario planning.

2. Gerard Tromp (36)

Executive group managing director

Committees: Audit and risk (by invitation), social and ethics, investment

Gerard R de V Tromp has a BCom marketing degree and is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. After completion of his articles he joined the group in 2009 as the group company secretary, which role he fulfilled until 2012. During 2012, he was appointed as the managing director of the furniture segment. During 2014, he was appointed as deputy managing director of the group. On 18 April 2016, he was appointed as managing director of the group.

3. Eckhart Prozesky (31)

Executive group financial director

Committees: Audit and risk (by invitation), investment

Eckhart H Prozesky is a chartered accountant (South Africa) and completed his articles in 2011. After completion of his articles he joined the group in 2012 as the financial manager of the furniture segment. During 2015, he was appointed as the financial director of the group.

4. Nico Tromp (68)

Non-executive

Committees: Remuneration (by invitation), audit and risk (by invitation), investment

Nicolaas C Tromp (Nico) has a BCom degree. After completing his accounting articles in 1973, he joined the Nictus group and became the managing director of the group in 1979. He served as chairman of the Nictus group from 1998 until 2003. He is also a director/chairman of various other companies and has acted as a trustee of numerous trusts for the past 30 years. He stepped down as managing director of the group on 18 April 2016.

5. Philippus Tromp (41)

Non-executive

Committees: Social and ethics *(chairman)*

Philippus J de W Tromp has a BEcon, EDP: USB; SMP: USB and was appointed as a non-executive director of Nictus Limited in 2012. He is currently the group managing director of Nictus Holdings Limited and has served the Nictus group for the past 14 years.

6. Gerard Swart (62)

Independent non-executive

Committees: Remuneration *(chairman)*, audit and risk

Gerard Swart is a qualified chartered accountant (South Africa and Namibia) and boasts 34 years' experience in the accounting profession, of which 24 years as audit partner, during which he fulfilled the role of managing partner for 15 years.

7. John Mandy (71)

Independent non-executive

Committees: Remuneration, audit and risk *(chairman)*

John D Mandy is a qualified chartered accountant (Namibia) and a fellow of the Chartered Secretaries of Southern Africa. He has a number of years of experience in senior executive roles at Pupkewitz Group Holdings, Namibian Harvest Investments Limited, Stocks and Stocks Properties and Arthur Andersen & Co. In addition, he occupied the position of chief executive officer of the Namibian Stock Exchange for a period of 10 years until the end of 2012. He was elected as an independent non-executive director and member and chairman of the audit and risk committee of Nictus Limited in 2013, 2014, 2015 and 2016.

8. Willem Boshoff (31)

Company secretary

He fulfils the role of nominee group secretary of Veritas Board of Executors Proprietary Limited.

CHAIRMAN'S REPORT

We are grateful that Nictus continued to be profitable, while the macro economy is in a declining growth phase and with an outlook of no growth for 2017/18.

Prof Johan Willemse
Chairman

The international credit ratings downgrade that followed Mr Zuma's cabinet reshuffle at the end of March was the first step in the reversing of expectations. The outlook for interest rates has changed from slowly declining into 2017 and 2018, towards a potential increase by 0,5-1 percentage points during the next year. This follows the new outlook of a slow increase in inflation, as the Rand exchange rate started to reverse the strengthening trend into a weakening trend. A number of economic indicators from car sales to business confidence indexes turned sharply into negative territory during April 2017 with little improvement, if any, in sight.

The next business year will be tough for most businesses in South Africa and maintaining profitability and the required return on capital will remain a challenge.

As reported last year, the group went through some changes, and with the new managing director and new management team we are confident that the Nictus group will remain profitable for the following reasons: Clear strategies have been developed to continue to grow the business within the limits of available resources and risk appetite; and new business opportunities have been identified and are being pursued that will increase the basis of growth and profits into the future for

the investments in the furniture and insurance segments. Further investments in technology are also in progress, that will improve the operating environment of the group.

Continuous delays in implementing the new insurance bill results in increases in cost. Regulatory requirements need to be met from the current act as well as the new proposed bill and regulations. However, Corporate Guarantee (South Africa) Limited is well placed to meet the requirements of the new bill. Developing a more flexible product offering and expanding the areas of business resulted in new growth opportunities, but also diversifying concentration risks. A subcommittee of the board oversees the investments of the funds, with renewed focus on margins and low risk investments, within the prescriptions of the Act.

The furniture sector in South Africa remains under pressure, a result of tightening in credit and as disposable incomes slow down. Nictus Meubels Proprietary Limited has a very good record on credit scorecard applications in selecting creditworthy clients. Bad debts remain well below the industry average and we are confident that the trade receivables impairment allowance is adequate and we will remain cautious, given the expected economic environment.

Given a strong capital base and sufficient cash, we continue to carefully evaluate new business opportunities to grow the business further and to continue to deliver value to our stakeholders while doing business on an ethical basis. I wish to thank the MD and all staff for their loyalty and ethical way of doing business.

I want to thank my fellow board members for continuous support and dedication in fulfilling our duties as directors. In this regard, we have also decided to continue to strive to meet the guidelines of good corporate governance, as proposed by King IV, in the continuous building of the company for the benefit of all stakeholders.

GROUP MANAGING DIRECTOR'S REPORT

The past year was challenging given the volatile economic and political environments. It gives me pleasure to report, however, that thanks to our committed employees, valued stakeholders and solid governance structures, the group still achieved satisfactory results. We are proud that, despite these difficult circumstances and a result showing reduced turnover and profitability, we can report an increase of 15% growth in group assets.

During the past year, long-term strategies were formulated across the group and we are excited about putting these strategies into practice. I believe that the conditions for conducting business in the coming financial year will remain challenging, but I am confident that we will maintain profitability whilst expanding our asset base throughout South Africa.

Gerard Tromp
Executive group managing director

Segmental performance

The segments performed satisfactorily during the year. Nictus Limited has increased its focus and drive towards establishing various functions across the group to enhance synergies and promote efficiency and effectiveness. Our vision of being an independent and diversified investment holding company whilst creating wealth for all stakeholders remains the primary focus area.

Furniture segment

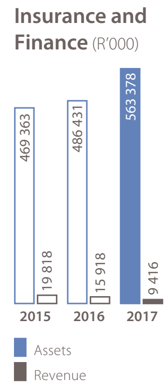
The furniture segment experienced a tough year and while major competitors closed down, the industry still remained resilient to the changes and consequences of these closures. We believe that many opportunities have arisen as a result and we have developed long-term strategies to increase the current offering and to expand the range of our products. Technological development remains a primary tool to ensure sustainability.

Insurance and finance segment

The insurance segment performed well during the year despite being exposed to political changes and economic challenges that resulted in changes in rates of return. Net written premiums increased during the past year and we are confident in our ability to maintain this trend for sustainable growth. Exceptional focus is placed on customer service and continuing development of structures that will convert risk to sustainable wealth.

Corporate governance

Nictus remains committed to the highest standards of corporate governance. Our commitment extends to employing employees with high levels of integrity and qualifications who assist in a continuous enhancement of the internal control environment. The implementation of King IV will be addressed during the year ahead and we look forward to seeing the results of this process. Although we are in a changing regulatory environment, especially in the insurance industry, we remain committed to conforming to all rules and regulations we are exposed to across the group.



Outlook

Nictus remains a proud South African corporate citizen with long-term strategies to continue on this path and to contribute to the success of the country. These strategies will be implemented and should start to reap benefits within the next three years. We believe that the group has an exceptional value offering for its customers and clients and we look forward to capturing these synergies for the benefit of all policyholders, stakeholders and shareholders.

Appreciation

I would like to thank the chairman and the members of the board for their vision and exceptional support, as well as management and staff for their unconditional commitment and shared vision in building this group and assisting in taking it to the next level.

I thank my family for their endless support and ultimately, I thank God for blessing the group, guiding and protecting its employees and their families, and embracing us with endless grace.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2017

Figures in R'000	2017	2016
Assets		
Non-current assets		
Property, plant and equipment	17 629	17 230
Intangible assets	101	355
Investments	22 062	39 841
Deferred tax assets	1 424	1 145
Loans and receivables	3 668	4 768
	44 884	63 339
Current assets		
Inventories	11 284	11 185
Loans and receivables	44 766	46 468
Trade and other receivables	335 484	254 464
Investments	100 766	22 988
Cash and cash equivalents	57 603	118 112
	549 903	453 217
Total assets	594 787	516 556
Equity and liabilities		
Equity		
Stated capital	48 668	48 668
Revaluation reserve	7 983	7 983
Retained earnings	42 652	37 749
	99 303	94 400
Liabilities		
Non-current liabilities		
Deferred tax liabilities	2 398	2 602
	2 398	2 602
Current liabilities		
Trade and other payables	10 837	7 610
Insurance contract liability	482 180	411 944
Current tax payable	69	–
	493 086	419 554
Total liabilities	495 484	422 156
Total equity and liabilities	594 787	516 556

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2017

Figures in R'000	2017	2016
Revenue	44 651	51 062
Cost of sales	(21 628)	(20 621)
Gross profit	23 023	30 441
Other income	2 117	4 062
Investment income from operations	37 884	30 699
Operating expenses	(43 991)	(40 626)
Administrative expenses	(16 805)	(19 146)
Results from operating activities	2 228	5 430
Investment income	4 841	3 869
Profit before taxation	7 069	9 299
Taxation expense	(178)	(1 312)
Profit for the year	6 891	7 987
Other comprehensive income:		
Items that will never be reclassified to profit or loss		
Tax related to property valuation – capital gains tax rate change	–	(187)
Total comprehensive income for the year	6 891	7 800
Profit attributable to:		
Owners of the parent	6 891	7 987
	6 891	7 987
Total comprehensive income attributable to:		
Owners of the parent	6 891	7 800
	6 891	7 800
Basic earnings per share (cents)	10,40	12,05
Diluted basic earnings per share (cents)	10,40	12,05

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

Figures in R'000	Stated capital	Re-valuation reserve	Retained earnings	Total equity
Balance at 1 April 2015	48 668	8 170	31 577	88 415
Total comprehensive income for the year				
Profit for the year	–	–	7 987	7 987
Other comprehensive income				
Deferred tax on property revaluations				
– capital gains tax rate change	–	(187)	–	(187)
Total comprehensive income for the year	–	(187)	7 987	7 800
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	–	–	(1 988)	(1 988)
Prescribed dividends	–	–	173	173
Total transactions with the owners of the company	–	–	(1 815)	(1 815)
Balance at 31 March 2016	48 668	7 983	37 749	94 400
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**6 891**	**6 891**
Total comprehensive income for the year	**–**	**–**	**6 891**	**6 891**
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	**–**	**–**	**(1 988)**	**(1 988)**
Total transactions with the owners of the company	**–**	**–**	**(1 988)**	**(1 988)**
Balance at 31 March 2017	**48 668**	**7 983**	**42 652**	**99 303**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

Figures in R'000	2017	2016
Cash flows from operating activities		
Cash utilised by operations	**(41 680)**	(75 909)
Investment income received from operations	**36 728**	29 264
Dividends received	**1 156**	1 435
Dividends paid	**(1 988)**	(1 988)
Tax paid	**(592)**	–
Net cash utilised by operating activities	**(6 376)**	(47 198)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(965)**	(336)
Proceeds on sale of property, plant and equipment	**115**	104
Acquisition of intangible assets	**–**	(22)
Proceeds from disposal of investments	**17 949**	1 873
Investment income received	**4 841**	3 869
Short-term funds (invested)/disinvested	**(77 778)**	108 893
Loans repaid by/(advanced to) related parties	**1 702**	(7 187)
Proceeds on disposal of subsidiary	**7**	–
Net cash (utilised by)/generated from investing activities	**(54 129)**	107 194
Total cash movement for the year	**(60 505)**	59 996
Total cash sold by subsidiary for the year	**(4)**	–
Cash and cash equivalents at the beginning of the year	**118 112**	58 116
Total cash and cash equivalents at the end of the year	**57 603**	118 112

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS

for the year ended 31 March 2017

Figures in R'000	Profit on ordinary activities	Taxation	Net profit
2017			
Profit for the year	**7 069**	**(178)**	**6 891**
Adjustments for:			
Profit on disposal of property, plant and equipment	**(24)**	**7**	**(17)**
Profit on disposal of subsidiary	**(3)**	**1**	**(2)**
Loss on scrapping of property, plant and equipment	**69**	**(19)**	**50**
Headline earnings	**7 111**	**(189)**	**6 922**
2016			
Profit for the year	9 299	(1 312)	7 987
Adjustments for:			
Profit on disposal of property, plant and equipment	(18)	5	(13)
Headline earnings	9 281	(1 307)	7 974

	2017	2016
Headline earnings per share (cents)	**10,45**	12,03
Diluted headline earnings per share (cents)	**10,45**	12,03

SUMMARISED SEGMENTAL REPORT

for the year ended 31 March 2017

Figures in R'000	2017	2016
Segment assets		
Furniture retail	**62 793**	63 679
Insurance and finance	**563 378**	486 431
	626 171	550 110
Head office and eliminations	**(31 384)**	(33 554)
	594 787	516 556
Segment revenue		
Furniture retail	**36 712**	36 564
Insurance and finance	**9 416**	15 918
	46 128	52 482
Head office and eliminations	**(1 477)**	(1 420)
	44 651	51 062
Net (loss)/profit for the year		
Furniture retail	**(1 156)**	820
Insurance and finance	**2 127**	3 627
	971	4 447
Head office and eliminations	**5 920**	3 540
	6 891	7 987

NOTES TO THE FINANCIAL INFORMATION

for the year ended 31 March 2017

1. Statement of compliance

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summary financial statements are extracted from the audited financial statements for the year ended 31 March 2017 but are not audited. KPMG Inc. audited the financial statements for the year ended 31 March 2017 and their unmodified audit report is available for inspection at the registered office of Nictus.

2. Directors' responsibility

The directors take full responsibility of the preparation of the summarised financial statements, and that the financial information has been correctly extracted from the underlying audited financial statements for the year ended 31 March 2017.

3. Basis of measurement

The summary financial statements are presented in thousands of South African Rands (R'000s) on the historical cost basis, except for financial instruments classified at fair value through profit or loss which are measured at fair value and land and buildings which are measured at revalued amounts.

4. Related parties

During the period, certain companies within the group entered into transactions with each other. These intra-group transactions have been eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2017. Refer to the 2017 audited financial statements for further information.

5. Events after reporting date

There were no events after the reporting date and up to the date of approval of these financial statements that affected the presentation of the consolidated financial statements for the year ended 31 March 2017, other than that a dividend of 3,00 cents per share was declared by the directors subsequent to year end, payable to shareholders registered on 21 July 2017.

6. Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability in the audited financial statements.

Property, plant and equipment

The fair value of land and buildings is estimated by using a combination of the income capitalisation method and the depreciated replacement value method. This method requires the net annual income generated by the property, based on market trends, to be capitalised at an appropriate rate of return to reflect risk, specific investment demands and the overall condition of the structures.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing market price at the reporting date.

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted closing market price; and
- The fair values of debt securities are based on the quoted closing market price as reflected on the recognised exchange.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of short-term trade and other receivables at amortised cost is believed to approximate their fair values.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing loans and borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The interest rate used for determining the fair value is the prime interest rate.

Trade and other payables

All trade and other payables are of a short-term nature and the carrying value of trade and other payables at amortised cost is believed to approximate their fair value.

Cash and cash equivalents

The cash and cash equivalents held by the group are of a short-term nature and the fair value of positive bank balances and bank overdrafts is deemend to approximate the carrying amount.

6.1 Fair value of land and buildings

Land and buildings, which consist of a business premises situated on erf 2134, Ferndale, Johannesburg, are independently valued on an ad-hoc basis. The property was valued by the company's directors and an external independent valuator at 31 March 2017. The external valuator was Johannes SF Wessels, a Professional Associated Valuer registered with the South African Council for the Property Valuers Profession (SACPVP Number 7316/3). He is not connected to the company and he has the appropriate qualifications and experience in the location and category of the property. The company's directors value the group's property portfolio on an annual basis. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the locations and category of property being valued, also provides supporting information used in the annual directors' valuation process. The fair values are based on valuations and other market information that take into consideration the estimated rental value and depreciated replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. The valuation was based on a combination of the income capitalisation method and the depreciated replacement cost method for existing use. The directors have assessed the residual value of the property at 31 March 2017 and calculated that the residual value approximates the current carrying value. No depreciation has therefore been recognised in the current or prior period in respect of the property.

NOTES TO THE FINANCIAL INFORMATION continued

for the year ended 31 March 2017

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

Fair value hierarchy

Figures in R'000	Level 1	Level 2	Level 3	Total
Land and buildings – 2017	**–**	**–**	**16 146**	**16 146**
Land and buildings – 2016	–	–	16 100	16 100

The valuation techniques to fair value assets and liabilities in Level 3.

Assets	Method	Major assumptions
Land and buildings	Income capitalisation method	Capitalisation rate Rental per square metre per Rhode report Vacancy factor

Figures in R'000	Land and buildings
Reconciliation of land and buildings at fair value in Level 3	
Balance 1 April 2016	**16 100**
Fair value measurements	**–**
Scrapping of assets due to theft	**(69)**
Additions	**115**
Balance at 31 March 2017	**16 146**

Sensitivity analysis

Land and buildings

Presented in the tables below is an analysis of the impact on the fair value of the property, per valuation method, for changes in the key valuation assumptions:

Figures in R'000	Capitalisation rate		
Income capitalisation method	8,81%	9,81%	10,81%
Rental (10% decrease)	13 400	12 100	11 000
Rental (Rate per Rhode report)	16 100	14 400	13 100
Rental (10% increase)	18 700	16 800	15 200

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

Sensitivity analysis continued

Land and buildings

Presented in the tables below is an analysis of the impact on the fair value of the property, per valuation method, for changes in the key valuation assumptions:

Figures in R'000	Depreciation factor		
Depreciated replacement cost method	60,00%	65,00%	70,00%
Building costs (3% decrease)	18 900	17 400	15 800
Building costs (Rate per AECOM's African Property and Construction Handbook of 2016)	19 300	17 700	16 100
Building costs (3% increase)	19 700	18 100	16 400

The valuation for the financial year ended 31 March 2017 was based on a combination of the income capitalisation method and the depreciated replacement cost method for existing use. A 50% contribution rate per method was deemed appropriate by the directors.

6.2 Fair value hierarchy of financial assets at fair value throught profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. There were no transfers between the levels for the reporting period.

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Figures in R'000	2017	2016
Level 1		
Listed shares	**12 967**	23 708
Debt securities	**1 988**	1 936
Unit trusts	**7 107**	14 197
	22 062	39 841

NOTES TO THE FINANCIAL INFORMATION continued

for the year ended 31 March 2017

6. Determination of fair values continued

6.3. Financial assets by category

The accounting policies for financial assets have been applied to the line items below:

Figures in R'000	Loans and receivables at amortised cost	Fair value through profit or loss – held for trading	Total
2017			
Loans and receivables	**48 434**	**–**	**48 434**
Investments	**–**	**22 062**	**22 062**
Trade receivables	**334 329**	**–**	**334 329**
Investments – short-term deposits	**100 766**	**–**	**100 766**
Cash and cash equivalents	**57 603**	**–**	**57 603**
	541 132	**22 062**	**563 194**
2016			
Loans and receivables	51 236	–	51 236
Investments	–	39 841	39 841
Trade receivables	253 248	–	253 248
Investments – short-term deposits	22 988	–	22 988
Cash and cash equivalents	118 112	–	118 112
	445 584	39 841	485 425

The carrying amounts of the financial assets at amortised cost approximate their fair values.

6.4. Financial liabilities by category

The accounting policies for financial liabilities have been applied to the line items below:

Figures in R'000	Financial liabilities at amortised cost	Total
2017		
Trade and other payables	**10 467**	**10 467**
2016		
Trade and other payables	6 905	6 905

The carrying amounts of the financial liabilities at amortised cost approximate their fair values.

NOTICE OF ANNUAL GENERAL MEETING

NICTUS LIMITED

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481

Notice is hereby given that the annual general meeting of the shareholders of Nictus will be held in the boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg (see map on P 34), on Thursday, 17 August 2017 at 12:00 (SA time), to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out in this notice.

1. Record date

The board of directors of the company has determined that the record date in terms of section 59(1) of the Companies Act of South Africa (the Companies Act) for the purpose of determining which shareholders of the company are entitled to receive notice of the annual general meeting is Friday, 16 June 2017 and the record date for purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 11 August 2017. Accordingly, only shareholders who are registered in the register of members of the company, or their proxies, on Friday, 11 August 2017 will be entitled to participate in the meeting.

2. General purpose of the annual general meeting

The general purpose of the annual general meeting is to:

2.1 Consider and, if deemed fit, pass with or without modification the resolutions set out hereunder; and

2.2 Deal with any business that may lawfully be dealt with at the annual general meeting.

3. Presentation of group annual financial statements and annual financial statements

The consolidated audited annual financial statements of the company and its subsidiaries, incorporating the reports of the auditor, the audit and risk committee and the directors for the year ended 31 March 2017, will be presented to shareholders as required in terms of section 30(3 (d) of the Companies Act of South Africa.

4. Resolutions for consideration and approval

4.1 Ordinary resolution 1: approval of minutes of previous annual general meeting

"Resolved to approve the minutes of the previous annual general meeting."

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.2 Ordinary resolution 2: re-election of Gerard Swart as a director

"Resolved that Gerard Swart be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 2 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on P 5.

NOTICE OF ANNUAL GENERAL MEETING continued

4.3 Ordinary resolution 3: re-election of John D Mandy as a director

"Resolved that John D Mandy be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 3 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on P 5.

4.4 Ordinary resolution 4: re-election of Philippus J de W Tromp as a director

"Resolved that Philippus J de W Tromp be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 4 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on P 5.

4.5 Ordinary resolution 5: approval of remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the company as set out on P 122 of the 2017 integrated annual report of which this notice forms part."

In order for this ordinary resolution number 5 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.6 Ordinary resolution 6: re-election of John D Mandy as a member of the audit and risk committee

"Resolved that John D Mandy, a director of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 6 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.7 Ordinary resolution 7: re-election of Barend J Willemse as a member of the audit and risk committee

"Resolved that Barend J Willemse, a director and chairman of the board of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 7 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required. Shareholders' attention is specifically drawn to the dual role of Barend J Willemse, being an independent non-executive chairman of the board and also a member of the audit and risk committee.

4.8 Ordinary resolution 8: re-election of Gerard Swart as a member of the audit and risk committee

"Resolved that Gerard Swart, a director of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 8 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.9 Ordinary resolution 9: re-appointment of John D Mandy as chairman of the audit and risk committee

"Resolved that John D Mandy, a director of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as the chairman of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 9 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.10 Ordinary resolution 10: re-appointment of KPMG as auditors

"Resolved that, on recommendation of the audit and risk committee of the company, KPMG Incorporated (Jacques Wessels being the designated audit partner of KPMG) be and is hereby re-appointed as auditors of the company (the designated auditor meeting the requirements of section 90(2) of the Companies Act of South Africa), to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 10 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.11 Ordinary resolution 11: authority to issue ordinary shares

"Resolved that the board of directors be and is hereby authorised by way of a general authority to issue at their discretion up to 15% (fifteen per cent (27 559 509 shares)) of the authorised but unissued ordinary shares in the company from time to time, whether created before or after the passing of this resolution and/or to grant options to subscribe for such 15% (fifteen per cent) of the authorised but unissued shares from time to time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the JSE Limited and are subject to the JSE Listings Requirements, the Companies Act of South Africa and the following conditions, namely that:

4.11.1 this authority shall only be valid until the next annual general meeting of the company but shall not extend beyond 15 (fifteen) months from the date of this meeting;

4.11.2 the issue of the shares must be made to persons qualifying as public shareholders as defined in the JSE Listings Requirements;

4.11.3 the shares which are the subject of the issue:

4.11.3.1 must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

4.11.3.2 shall not exceed 5% (five per cent) of the number of the company's issued ordinary shares in aggregate in any one financial year (including the number of any shares that may be issued in future arising out of the issue of options); and

4.11.3.3 that a paid press announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline earnings per share and if applicable, diluted earnings and diluted headline earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% (five per cent) of the number of shares in issue prior to the issue concerned;

4.11.4 in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten per cent) of the weighted average traded price of the

NOTICE OF ANNUAL GENERAL MEETING continued

ordinary shares on the JSE, measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and

4.11.5 separately, such shares as have been reserved to be issued by the company in terms of its share and other employee incentive schemes."

In order for this ordinary resolution number 11 to be passed, the support of more than 75% (seventy five per cent) of the voting rights exercised on the resolution by all equity shareholders (as defined in the JSE Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

4.12 Ordinary resolution 12: signing authority

"Resolved that each director, or the secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice."

In order for this ordinary resolution number 12 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.13 Special resolution 1: approval of directors' remuneration

"Resolved that the company be and is hereby authorised to pay remuneration to its directors for their services as directors, as contemplated in sections 66(8) and 66(9) of the Companies Act of South Africa, and that the remuneration structure and amounts as set out below, be and are hereby approved until such time as rescinded or amended by the ordinary shareholders by way of a special resolution."

	Proposed fees					
Name of director	Annual fee R	Board R	Audit and risk committee R	Remuneration and nominations committee R	Social and ethics committee R	Investment committee R
Barend J Willemse	670 000	330 000	85 000	85 000	–	170 000
Gerard Swart	476 000	170 000	85 000	136 000	85 000	–
John D Mandy	408 000	170 000	153 000	85 000	–	–
Philippus J de W Tromp	119 390	66 328	–	–	53 062	–
Nicolaas C Tromp	66 328	66 328	–	–	–	–
Gerard Tromp*	–	–	–	–	–	–
Eckhart H Prozesky*	–	–	–	–	–	–

* *Executive directors are remunerated in accordance with a cost-to-company package, as set out in the Remuneration report on P 32 of the 2017 integrated annual report.*

Special resolution number 1 is required in terms of section 66 of the Companies Act of South Africa, which requires that directors' remuneration for their services as directors may be paid by a company only in accordance with a special resolution approved by shareholders within the previous two years.

In order for special resolution number 1 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

The reason for this resolution is to obtain prior approval for the payment of the directors' remuneration and the effect will be that the directors are paid in accordance with this resolution.

4.14 Special resolution 2: general authority to repurchase shares

"Resolved that the company, in terms of its Memorandum of Incorporation (MOI), or one of its wholly owned subsidiaries, in terms of such wholly owned subsidiary's MOI, as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general approval to acquire the company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, subject to the Listings Requirements and the Companies Act of South Africa and subject to the following:

4.14.1 This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter);

4.14.2 The repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counterparty;

4.14.3 Repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;

4.14.4 An announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the initial number of ordinary shares, and for each 3% (three per cent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;

4.14.5 The number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty per cent) of the company's issued share capital as at the date of passing of this special resolution or 10% (ten per cent) of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;

4.14.6 The company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period;

4.14.7 At any point in time the company only appointing one agent to effect any repurchases on its behalf;

4.14.8 The board of directors must pass a resolution that they authorised the repurchase and that the company passed the solvency and liquidity test set out in section 4 of the Companies Act of South Africa and that since the test was done there have been no material changes to the financial position of the group;

4.14.9 The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the annual general meeting and at the actual date of the repurchase;

NOTICE OF ANNUAL GENERAL MEETING continued

4.14.10 the company and the group will be able, in the ordinary course of business, to pay its debts;

4.14.11 the working capital of the company and the group will be adequate for ordinary business purposes;

4.14.12 the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group; and

4.14.13 the company's and the group's ordinary share capital and reserves will be adequate for ordinary business purposes."

Section 48 of the Companies Act of South Africa authorises the board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the approval of a 75% (seventy five per cent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for special resolution number 2 to become effective.

4.15 Special resolution 3: financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa

"Resolved that, as a general approval, the company may, in terms of section 45(3)(a)(ii) of the Companies Act of South Africa, provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to it in section 45(1) of the Companies Act of South Africa) to any related or inter-related company or to any juristic person who is a member of or related to any such company/ies (related and inter-related will herein have the meaning attributed to it in section 2 of the Companies Act of South Africa), subject to compliance with the remainder of section 45 of the Companies Act of South Africa, as the board of directors of the company may deem fit and on the terms and conditions, to the recipient/s, in the form, nature and extent and for the amounts that the board of directors of the company may determine from time to time."

The effect of special resolution number 3, if adopted, is to confer the authority on the board of directors of the company to authorise financial assistance to companies related or inter-related to the company or to any juristic person who is a member of or related to any such companies generally as the board of directors may deem fit, on the terms and conditions, and for the amounts that the board of directors may determine from time to time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

In order for special resolution number 3 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

5. Additional information

The following additional information, which may appear elsewhere in the 2017 integrated annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the company's shares set out in special resolution number 2 above:

5.1 Major shareholders – P 41;

5.2 Stated capital of the company – P 88.

6. Directors' responsibility statement

The directors in office, whose names appear on P 4 and 5, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the JSE Listings Requirements.

7. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the company's financial year end and the date of signature of the 2017 integrated annual report.

8. Directors' intention regarding the general authority to repurchase the company's shares

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

9. Attendance and proxies

9.1 Please note that, in terms of section 62(3)(e) of the Companies Act of South Africa:

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

9.1.2 a proxy need not also be a shareholder of the company.

9.2 Please note further that section 63(1) of the Companies Act of South Africa requires that the annual general meeting participants must provide satisfactory identification. In this regard, all annual general meeting participants will be required to provide identification satisfactory to the chairman of the annual general meeting.

9.3 All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant (CSDP), broker or nominee other than with "own name" registration, must provide the CSDP, broker or nominee with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP, broker or nominee to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

9.4 Unless you advise your CSDP, broker or nominee, in terms of the agreement between you and your CSDP, broker or nominee, by the cut-off time stipulated therein, that you wish to attend the general meeting or send a proxy to represent you at this general meeting, your CSDP, broker or nominee will assume that you do not wish to attend the special general meeting or send a proxy.

9.5 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg (PO Box 2878, Randburg 2125) or the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 10:00 on Tuesday, 15 August 2017. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

9.6 Attention is drawn to the "Notes" to the form of proxy.

9.7 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING continued

10. Voting

10.1 On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representatives, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

10.2 For the purpose of resolutions proposed in terms of the JSE Listings Requirements in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

11. Electronic participation at the annual general meeting

11.1 Should any shareholder of the company wish to participate in the annual general meeting by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out on P 27, at least 5 (five) business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholder (and its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act of South Africa and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation.

11.2 Shareholders are encouraged to attend at the annual general meeting. Please note that, in terms of section 63(1) of the Companies Act of South Africa, meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include valid identity documents, driver's licences and passports.

By order of the board

Nictus Limited

Veritas Board of Executors Proprietary Limited
Secretary

Randburg
20 June 2017

FORM OF PROXY

NICTUS LIMITED
(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM 781/11858
JSE share code: NCS
ISIN number: NA0009123481

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

For completion by registered members of Nictus unable to attend the annual general meeting of the company to be held in the boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg (see map on P 34), on **Thursday, 17 August 2017** at **12:00** (SA time), or at any adjournment thereof.

I/We ______________________________

of ______________________________ (address)

being the holder/s of ______________ shares in the company, do hereby appoint:

1. ______________________________ or, failing him/her

2. ______________________________ or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain	Precluded from voting in terms of the Companies Act or the JSE Listings Requirements
1. **Ordinary resolution 1:** approval of minutes of previous annual general meeting				
2. **Ordinary resolution 2:** re-election of Gerard Swart as a director				
3. **Ordinary resolution 3:** re-election of John D Mandy as a director				
4. **Ordinary resolution 4:** re-election of Philippus J de W Tromp as a director				

FORM OF PROXY continued

	For	Against	Abstain	Precluded from voting in terms of the Companies Act or the JSE Listings Requirements
5. **Ordinary resolution 5:** approval of remuneration policy				
6. **Ordinary resolution 6:** re-election of John D Mandy as a member of the audit and risk committee				
7. **Ordinary resolution 7:** re-election of Barend J Willemse as a member of the audit and risk committee				
8. **Ordinary resolution 8:** re-election of Gerard Swart as a member of the audit and risk committee				
9. **Ordinary resolution 9:** re-appointment of John D Mandy as chairman of the audit and risk committee				
10. **Ordinary resolution 10:** re-appointment of KPMG as auditors				
11. **Ordinary resolution 11:** authority to issue ordinary shares				
12. **Ordinary resolution 12:** signing authority				
13. **Special resolution 1:** approval of directors' remuneration				
14. **Special resolution 2:** general authority to repurchase shares				
15. **Special resolution 3:** financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa				

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. However, if you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at ______________________ on ______________________ 2017

Signature ______________________

Assisted by me, where applicable (name and signature) ______________________

NOTES TO THE FORM OF PROXY

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, speak and, on a poll or by show of hands, vote in place of that shareholder at the annual general meeting.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

3. A shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.

4. A shareholder or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his/her proxy is entitled.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.

6. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.

7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).

8. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

9. All beneficial owners of ordinary shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their shares with "own name" registrations, and all beneficial owners of ordinary shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the company or its transfer secretaries of this instruction no less than 48 hours before the time appointed for the holding of the meeting. Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the company's transfer secretaries or at the

NOTES TO THE FORM OF PROXY continued

registered office of the company not less than 48 hours before the time appointed for the holding of the meeting. Shareholders who hold certificated shares with their own name and shareholders who have dematerialised their shares with "own name" registrations must lodge their completed proxy forms with the company's transfer secretaries or at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

10. Forms of proxy have to be lodged with or posted to the registered office of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg, (PO Box 2878, Randburg 2125) or the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 10:00 on Tuesday, 15 August 2017.

Summary of rights established by section 58 of the Companies Act of South Africa (Companies Act), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (proxy instrument) (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation (MOI) of the company at least 48 hours before the annual general meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));

6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act of South Africa or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:

10.1 the invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a));

10.2 the invitation or form of proxy instrument supplied by the company must:

10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act of South Africa (section 58(8)(b)(i));

10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));

10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

10.4 the proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).

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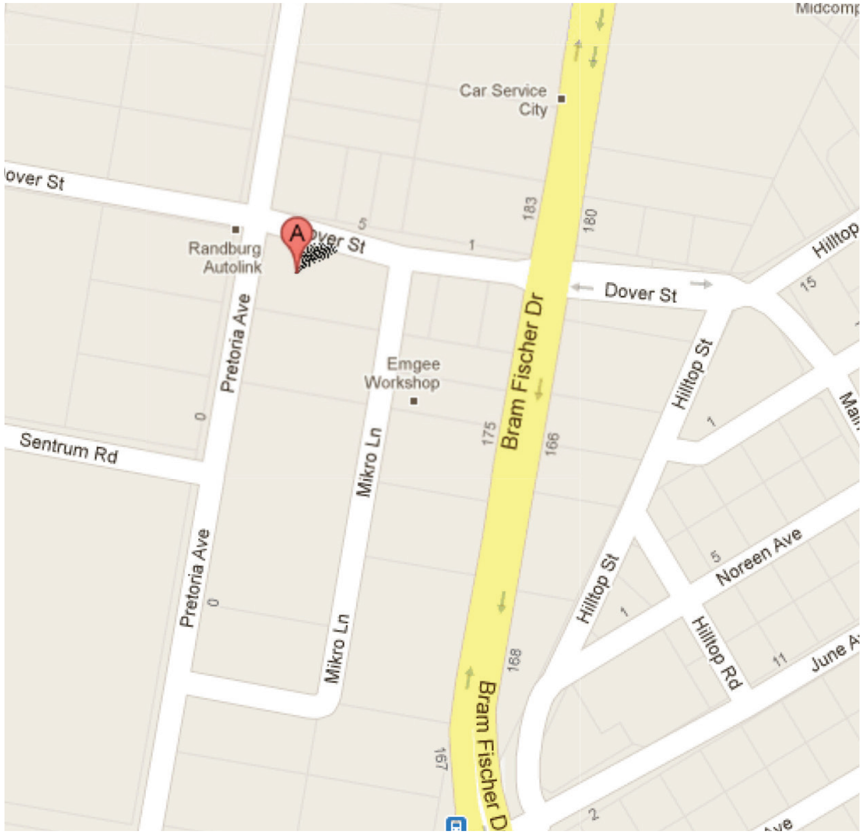
MAP TO ANNUAL GENERAL MEETING



Nictus Building
Corner of Pretoria and Dover Street
Randburg, South Africa

ELECTRONIC RECEIPT OF COMMUNICATION AND NOTICES

Nictus Limited

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481

Dear shareholder

Election to receive electronic shareholder communications

Please note that in terms of the Companies Act of South Africa, as amended and the JSE Listings Requirements, you may elect to receive shareholder communications and notices from Nictus electronically.

If you make this election, you will be notified by e-mail when the company's shareholder communications become available and you will be able to access such communications through the internet. If you do not make this election, printed communications from the company will be posted to you at your registered address.

Full name of shareholder

Reference number*

Telephone numbers

(home) (office) (mobile)

* *Can be obtained from the envelope in which you received the 2017 summarised consolidated financial statements or please call Computershare Investor Services Proprietary Limited on telephone +27 11 370 5000 for details.*

E-mail address

I elect to receive notification electronically when the company's shareholder communications become available:

Signature Date

The completed form should be returned to Computershare Investor Services Proprietary Limited *via* post, fax or e-mail:

Fax number: +27 11 688 5200

E-mail: proxies@computershare.co.za

Post: Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown 2107, South Africa

For enquiries please contact Computershare Investor Services Proprietary Limited
Telephone: +27 11 370 5000

NOTES

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CONTACT INFORMATION

Nictus Limited

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481

www.nictuslimited.co.za

Registered office of the company

Head office

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Corner of Pretoria and Dover Street, Randburg

PO Box 2878, Randburg 2125

Windhoek office

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140 Mandume Ndemufayo Avenue
Windhoek

Private Bag 13231, Windhoek

Company secretary

Veritas Board of Executors Proprietary Limited

Registration number 1984/007487/07
1st Floor, Nictus Building
Corner of Pretoria and Dover Street, Randburg

PO Box 2878, Randburg 2125

Auditors and reporting accountant

KPMG Inc.

Registration number 1999/021543/21
KPMG Crescent
85 Empire Road, Parktown 2193

Private Bag 9, Parktown 2122